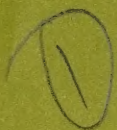


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Publications



# Country Profile

# **Colombia**

Canada



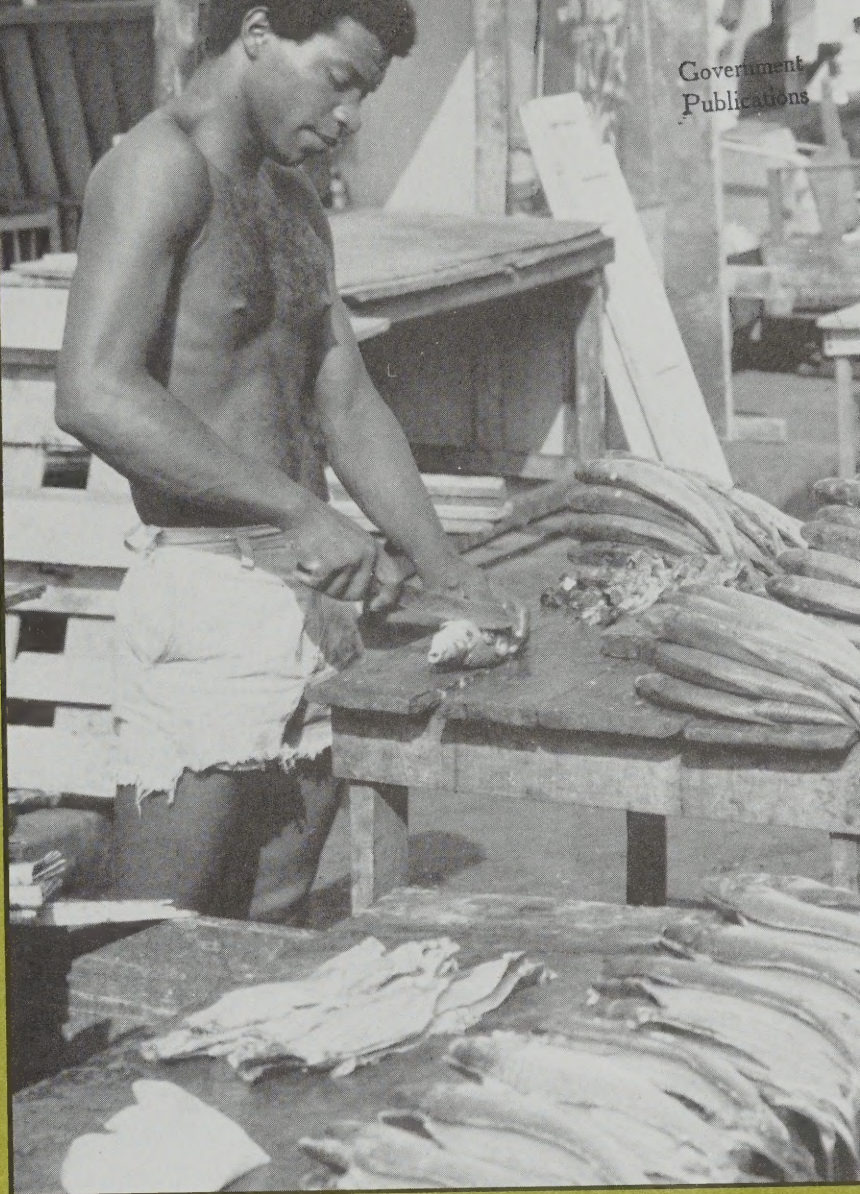




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# Country Profile

# **Colombia**

Canada





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## COUNTRY PROFILE

- . Official Name Republic of Colombia
- . Capital Bogota
- . Topography flat coastal plains, Andes mountains, eastern plains
- . Climate coastal tropical rain forest, temperate plateaus
- . Principal crops coffee, cotton, corn, sugar, bananas, rice, citrus fruits, vegetables
- . Resources petroleum, coal, nickel, natural gas, hydro, uranium, emeralds, gold, silver, platinum, lead, zinc, copper, mercury, forestry, fisheries
- . Official Language Spanish
- . Ethnic Groups Mestizo (58%), caucasian (20%), mulatto (14%), African descent (4%), mixed African-Indian (3%), Indian (1%)
- . Religions Roman Catholic (95%)
- . Date of independence 1813

### Comparative Data

	<u>Colombia</u>	<u>Canada</u>
. Area	1,139,000 sq. km	9,976,00 sq. km
. Population (mid-1983)	27.5 million	24.6 million
. Average population density	24.1 people per sq. km	2.5 people per sq. km
. Urbanization	66%	75%
. Population growth rate (1973-1983)	1.9%	1.2%
. Life expectancy at birth (1982)	64 years	76 years
. Infant mortality rate (1983)	53 per 1,000 live births	9 per 1,000 live births

<u>Comparative Data</u>	<u>Colombia</u>	<u>Canada</u>
. Daily per capita calorie supply as percentage of requirement (1982)	110%	129%
. Adult literacy rate	81%	99%
. Primary school enrolment (1982)		
Total	125%	104%
Boys	129%	105%
Girls	132%	103%
. Percentage of labor force in (1981)		
Agriculture	26%	5%
Industry	21%	29%
Services	53%	66%
. Percentage of population under 15 (1983)	40.4%	23.2%
. Gross national product per capita (1983)	U.S. \$1,430	U.S. \$12,310
. GNP average annual growth rate (1965-1983)	3.2%	2.5%
. Inflation rate (1973-83)	24.0%	9.4%
. External public debt as % of GNP	18.3%	1.35%
. Debt service as % of GNP	2.4%	4.96%
. Current account balance	U.S. \$2,738 million	U.S. \$1,380 million
. Principal exports	coffee, emeralds, coal	
. Principal imports	raw materials, consumer goods, capital goods.	
. Exports to Canada	Coffee, bananas, crude vegetable products, fuel oil, cotton fabrics, gum stones, raw sugar.	
. Imports from Canada	Barley, cereals, asbestos, newsprint, synthetic rubber and plastic, aluminum, materials handling equipment and machinery, motor vehicle parts.	
. Principal trading partners	U.S., West Germany, Japan, Venezuela	



## COUNTRY PROGRAMS

As a result of the 1970 foreign policy review, Canada took steps to strengthen its ties with the rest of the hemisphere. CIDA's program of bilateral (government-to-government) technical assistance to Latin America began in 1971. In 1970 a mission to Colombia had identified projects for which CIDA could provide assistance. The sectors on which technical assistance was focused at that time were agriculture, forestry, fisheries, technical and professional education, community development, and later public administration. CIDA's bilateral program in Colombia amounted to about \$2 million a year in those early years.

Apart from bilateral assistance, Canadian aid is also pooled with that of other donor countries through the multilateral funding of international organizations. Prior to the beginning of the bilateral program in Latin America in 1971, Canadian assistance to the region had been through the multilateral channel of the Inter-American Development Bank (IDB). Although Canada only became a full member in 1972, a Canadian fund had been established in 1964 to be used by the bank for development assistance loans to member countries. The lending activities of the IDB and other multilateral organizations active in Colombia and receiving contributions or investments from Canada, are described in the section on multilateral assistance.

## BILATERAL PROGRAM

By 1976, total bilateral disbursements to Colombia amounted to \$21.7 million, mostly in the form of concessional loans. There were a series of agricultural projects begun in the early 1970s, which received CIDA funding totalling \$1.8 million. They involved support for the Colombian Institute of Agriculture and Fisheries (ICA), the Faculty of Science and Food Technology (ICTA), and the Cooperative Centre for Agrarian Reform (CECORA). An integrated rural development project which began in 1975 also accounted for large disbursements during this period. It is still operational and is described in the section on current Canadian assistance.

Food aid is another form of bilateral assistance. Apart from being provided for emergencies, Canadian food aid may also help a recipient country conserve valuable foreign exchange which might otherwise have to be spent on food imports while food production capability improves. In this context, Canada provided Colombia with \$1.5 million in food aid between 1975-76 and 1977-78.

In the energy sector, CIDA provided \$16.7 million in assistance for the hydro-electric station at Alto Anchicaya.

Under the heading of fisheries, and also education, a fisheries training centre was established at Buenaventura on the Pacific coast as part of the Colombian National Apprenticeship Service (SENA). With CIDA grants totalling \$4.8 million, equipment, technical assistance and training were provided in support of inshore and industrial fisheries.

Another group of projects begun in 1971 and 1972 involved forestry training through SENA and the Institute for the Development of Renewable Natural Resources (INDERENA), forest development through INDERENA, and reforestation and erosion control through the Corporacion Autonoma Regionale (CAR). Funding for these and other forestry projects totalled \$2.1 million.



During the latter part of the 1970s, Canada also made two \$5 million institutional support loans to Colombia. Local currency generated by the Colombian government, which lends these funds at a higher rate of interest, must be used to support institutions contributing to social development.

In addition, support was provided for training in the mining sector, feasibility studies and installation of a communications network for disaster preparedness, and transport sector studies.

Total assistance provided to Colombia through the bilateral channel by 1979-80 amounted to \$46.7 million, with 36 per cent having been directed to energy, 23 per cent to institutional and economic support, and 17 per cent to agriculture.

Besides providing official development assistance through bilateral and multilateral channels, Canadians have also developed strong personal and cultural links with Colombians over the years through the work of religious orders, voluntary agencies, and other non-governmental organizations. In 1968 a new division of CIDA, the Non-Governmental Organizations (NGO) Division, was created to encourage such Canadian groups to increase their collaboration with developing countries. From 1968 to 1980, CIDA's contributions to NGO activities in Colombia totalled \$1.8 million. By the late 1970s there were about 20 NGOs with projects in Colombia.

#### Current Projects

For the period from 1980-81 to 1984-85, bilateral aid disbursements to Colombia have totalled \$22.5 million (bringing the total for 15 years of bilateral aid to Colombia to \$70.3 million, including the \$1.5 million in food aid). The development of natural resources (agriculture and fisheries) and institutional and economic support continue to be important focal points for Canadian aid. In keeping with Colombia's current development plan, which places emphasis on social development and diversification of the economy, CIDA is also providing assistance in education and the industrial sector. Details of current bilateral projects follow in the descriptions of key sectors.

#### Agriculture

Due to Colombia's diverse climate and topography, various crops can be grown. Cacao, sugarcane, coconuts, bananas, plantains, rice, tobacco, cassava, and most of the nation's cattle are produced in the hot regions. The temperate regions are better suited for coffee, corn and other vegetables, and fruits such as citrus, pears, pineapples and tomatoes. The cold regions produce wheat, barley, potatoes, cold-climate vegetables, dairy cattle, and poultry.

Colombia is second only to Brazil in world coffee production and this is the mainstay of the economy. After coffee, bananas, cut flowers and sugar are the most important export items. Agricultural products bring in about 70 per cent of the total export revenues earned by legal sales yearly.



The importance of agriculture in overall GDP has diminished slightly in the last decade. In 1970 it accounted for 25 per cent and in 1982 for 22 per cent. In recent years the sector's production has increased only modestly in real terms, going up by around 2.6 per cent each year (except in 1982 when it fell by 1.0 per cent).

Only a small part of Colombia's large area of 103.8 million hectares (ha) is cultivated; in 1981 there were about 4 billion ha of arable land and 1.6 million were under permanent cultivation. One of the constraints to the growth of the sector is the small size of farms. It is estimated that farms of less than 20 ha account for 80 per cent of all landholdings. About 26 per cent of the country's labor force is engaged in agriculture.

The large integrated rural development project in the departments of Cordoba and Sucre on the Caribbean coast, for which CIDA is providing a \$13.5 million loan and a \$800,000 grant, is aimed at increasing production on small peasant farms of from one to 20 ha. The 300,000 marginal farmers who earn less than \$100 a year each are provided easy credit terms from the Caja Agraria (farm credit bank) in the 21 sub-projects covered by the loan. These include rural extension services, farm credit, marketing, agriculture training, forestry, fish farming, rural electrification, access roads, water supplies, medical services and education. Vehicles, farm equipment, transmission lines, water-drilling equipment and other goods and equipment are being purchased in Canada under the loan, and the grant finances the technical assistance component of the project.

### Fisheries

Despite the fact that Colombia has a coastline of over 3,000 kilometres, the fishing industry is relatively undeveloped and accounts for less than one per cent of GDP. Colombia exports a large proportion of its maritime haul, particularly shrimp; nevertheless, it also imports a considerable amount of fish products, which illustrates the need for this industry to be developed.

In addition to establishing the fisheries training centre at Buenaventura in the 1970s, CIDA provided a \$3.4 million grant to assist INDERENA with projects in artisanal fishing. New fishing areas were explored, new methods for catching, processing and marketing fish were introduced, and training in fisheries management was provided.

### Economic Support

Among CIDA's objectives in Colombia is the bolstering of the country's own project development capabilities. In this context, CIDA has provided a \$3 million program grant to finance a series of technical cooperation sub-projects identified and administered by Colombia's National Planning Department.

CIDA is also lending Colombia \$30 million in support of the country's efforts to diversify, modernize and expand the economy. The goal is to achieve regional development and job creation through implementation of 10 projects in the mining, energy, transport and telecommunications sectors.



### Education

A project begun in 1976 and now in its third phase involves the establishment of a furniture-making school, where managers, technicians, and skilled craftsmen are being trained in the techniques of furniture manufacture with a view to increasing productivity and improving quality. This endeavor, which has benefited from \$8.7 million in CIDA grants, was undertaken with a view to developing the furniture industry, thereby increasing exports and supporting small and medium-sized firms in Colombia.

### Industry

In another initiative to support Colombia's economic diversification, CIDA is providing an \$11.2 million loan to contribute to regional growth through increased production and job creation by small and medium-sized industries. Loans will be provided for about 40 such projects through local financial institutions.

### Mission-Administered Funds

Canadian embassies in developing countries respond to requests from local community groups in need of funds for small projects. In the case of Colombia the maximum annual allowance for these mission-administered funds is \$350,000.

### SPECIAL PROGRAMS

CIDA's Special Programs Branch contributes to development cooperation projects initiated by voluntary organizations and non-profit institutions cooperating with counterparts in developing countries. CIDA's collaboration began in 1968 specifically with non-governmental organizations (NGOs), and has since expanded to include the diverse activities sponsored by many different types of groups. The Branch provides funds which match or enhance contributions in cash or in kind by the participants in Canada and in the developing country, so that the value of a project is often much greater than the CIDA funding amount suggests.

Since the program began in 1968, CIDA contributions for such activities in Colombia have risen each year to reach \$1.4 million for 62 projects in 1984-85. This figure does not include the Colombia component of funding provided for regional programs or volunteer-sending agencies (e.g. CUSO). Neither does it include projects executed by the voluntary sector but financed by bilateral funds.

In 1984-85, CIDA was supporting 24 organizations with development projects in Colombia. The following is an outline of the types of projects and organizations receiving assistance from CIDA's Special Programs Branch.

#### NGO Program

The majority of the organizations receiving assistance for projects in Colombia fall into this category: 18 NGOs with 55 projects benefited from \$1.06 million in support during 1984-85. Some 90 per cent of the



disbursements were for three organizations. The Foster Parents Plan (FPP) of Canada has numerous projects in Colombia which address the needs of the poor. Their main target is children, who are most vulnerable to the effects of poverty, but their approach is through provision of family and community-based services. FPP emphasizes primary health care, construction and equipping of classrooms and community centres, technical training, food production, and income-generating projects. The Canadian Catholic Organization for Development and Peace had 22 projects in Colombia last year, mainly in popular education and communication, vocational and leadership training, and literacy programs; and Care Canada had one housing and seven rural water supply projects.

#### Institutional Cooperation and Development Services (ICDS) Program

Through this channel, CIDA supports joint ventures by institutions like universities, colleges, unions, cooperatives, and professional associations, as well as providing funds for co-operant-sending agencies. In 1984-85, disbursements were \$311,766 in support of six institutions with seven projects (excluding co-operant-sending programs).

One-third of the support in 1984-85 went to the Fédération des Caisses Populaires Desjardins for its project to establish a head office for the Union Nationale (UCONAL) and provide it with technical assistance while it is engaged in an effort to mobilize the savings of its cooperative members, thereby reducing their dependence on outside sources of financing. Another 25 per cent of CIDA support was for the Royal Architecture Institute which assisted the country's 1,000 self-help housing cooperatives to form a national association dedicated to the provision of low-cost housing for the poor.

Other projects included the Cooperative Development Foundation's provision of facilities and training to help boost the self-reliance of the Rooscarlos Barker fishermen's cooperative, and the Canadian Labour Congress' assistance to the Colombia taxi cooperative with acquisition of radio equipment and establishment of a central control office. In addition, the Canadian Comprehensive Auditing Foundation organized and delivered a seminar in Bogota on comprehensive auditing and its possible applications in Latin American legislative offices.

CUSO (the Canadian University Service Overseas) now has volunteers on two-year assignments in Colombia, involved in such activities as teaching and rural community development. CUSO volunteers have recently been occupied by the rehabilitation of areas damaged by heavy flooding.

#### International NGO Program (INGO)

Through INGO, CIDA offers support to organizations with programs which span many countries. Some of these may provide financial support to member organizations for their national activities: examples include the YM and YWCA, Girl Guides, Boy Scouts, and the International Planned Parenthood Federation.



CIDA's contribution to Inter-American Legal Services, an organization based in Colombia, has enabled that organization to provide training and produce educational materials on the subject of women and the law. CIDA also supports the Inter-American Organization for Higher Education, a Quebec-based international organization that cooperates with 100 affiliated universities throughout the Americas, and the World Alliance of YMCAs which is assisting the Latin American Confederation of YMCAs to promote development programs in the region.

#### Management for Change (MFC) Program

The purpose of this small program is to stimulate and support innovative ways of strengthening the capability of developing countries to manage their resources productively and efficiently. Acting as a catalyst for short-term activities, it concentrates on practical problem-solving at the senior management level, and gives preference to regional rather than national initiatives. It also seeks to improve the management capacity of key development groups - such as women, NGO and rural development managers - that often do not benefit from established training programs.

Contributions from CIDA have enabled participants from many developing countries including Colombia to participate in a management training program in petroleum industry development at the Alberta Summer Institute for Petroleum Development.

#### BUSINESS COOPERATION

CIDA's Industrial Cooperation (INC) program was created in 1978 to assist the Canadian private sector in its efforts to become involved in the industrial development of Third World countries. Through mechanisms like joint ventures and other long-term forms of collaboration, mutually beneficial projects involving such activities as technology transfer, job creation, and skills development receive assistance from CIDA.

Canadian firms receive funding for starter studies and more in-depth viability studies, as well as pre-feasibility or project definition studies when preparing for participation in capital projects. Funding is also available for training, seminars and other business-related activities.

At the end of 1984-85, INC was providing grants for 131 projects related to Colombia, for which \$2.9 million was committed. Fifty-nine projects involved funding for the participation of Canadian companies in technology shows in Colombia in 1982 and 1984. Others covered a wide range of sectors and included both pre-investment studies in such areas as bicycle manufacturing, building systems technology, and the fishing industry, and project definition studies in agro-industry, sanitation and telecommunications. The INC program also funded the attendance of representatives from 10 Canadian companies at a forum on agro-industry and fishing in Cali, Colombia in 1985. The forum was sponsored by the United Nations Industrial Development Organization, and the participation of Canadian companies was managed by the Canadian Association for Latin America and the Caribbean.



## MULTILATERAL ASSISTANCE

As noted earlier, multilateral assistance involves the pooling of resources from member countries to international organizations. Multilateral assistance from all sources comprises about 52 per cent of total net official development assistance to Colombia. (Bilateral or government-to-government assistance accounts for the other 48 per cent).

Canadian multilateral assistance is channeled to Colombia through the Inter-American Development Bank (IDB) and its special funds. Other multilateral institutions to which Canada contributes and which have projects in Colombia include the World Bank institution known as the International Bank for Reconstruction and Development (IBRD), agencies of the United Nations, and the International Fund for Agricultural Development (IFAD).

From 1981 to 1984 inclusive, the IDB approved loans to Colombia totalling U.S. \$1.18 billion. The largest loans were for the Guavio hydro-electric installation, water and sanitation facilities, and urban infrastructure in Bogota. Other loans were for highway construction, integrated rural development and agricultural marketing centres, and the provision of industrial credit. Colombia is the fourth largest recipient of IDB lending behind Brazil, Mexico and Argentina. Canadian capital subscriptions to the IDB and contributions to its special funds have been around \$25 million a year from 1980-81 to 1984-85.

For the five-year period from 1980 to 1984 inclusive, the IBRD approved loans to Colombia totalling U.S. \$1.9 billion. Financing has been for hydro-electric installations, credits for industrial development including mining, manufacturing and tourism, highway and railway rehabilitation, rural development, boosting the research and extension capability of the Colombia Agricultural Institute, and reconstruction of Popayan and other cities following the 1983 earthquake. Canadian capital subscriptions to the IBRD have averaged \$39.75 million a year for the three years from 1982-83 to 1984-85. (There were no Canadian investments in the IBRD in 1980-81 or 1981-82).

The largest organization in the UN development system is the United Nations Development Programme (UNDP); in fact, it is the world's largest technical assistance organization and its projects are often executed through the intermediary of the more specialized UN agencies. During the 1982-86 cycle, UNDP spending in Colombia is expected to reach U.S. \$12.1 million, with the main allocations being in transportation and communications (23 per cent), natural resources, including a national water survey (22 per cent), agriculture, fisheries and forestry, including regional agricultural planning, fisheries development, and livestock development (19 per cent), industry (13 per cent), and education (11 per cent). Canada's contributions to the UNDP's regular worldwide programs have averaged \$52.4 million a year for the five years from 1980-81 to 1984-85.

Other UN agencies supported by Canada and which are active in Colombia are the UN Children's Fund (UNICEF) and the UN Fund for Population Activities (UNFPA). UNICEF allocated about U.S. \$1.5 million for Colombia in 1983 and again in 1984. Projects include social welfare services for children



(including child care alternatives in urban slum areas), primary health care (training, planning, constructing health centres, and providing health care), and child nutrition, especially in rural areas. Canada's contribution to UNICEF's regular worldwide programs has averaged \$11.99 million a year from 1980-81 to 1984-85.

The UNFPA allocated U.S. \$588,295 for Colombia in 1984, for work with the Church and a private organization called PROFAMILIA to provide information on family planning. Another project in conjunction with Italy has studied the training of medical and paramedical personnel and instituted new methods. UNFPA is also assisting the government with the 1985 census. Canada's contribution to the UNFPA's regular worldwide programs has averaged \$9.13 million a year from 1980-81 to 1984-85.

Food aid, in addition to being provided under bilateral agreements, is also channeled to developing countries through the World Food Programme (WFP), a UN institution associated with the Food and Agriculture Organization. The WFP supports feeding programs for nutritionally vulnerable groups, and uses food aid in food-for-work projects to provide work and income for the unemployed. Canadian food aid supplied to Colombia through the WFP for the period from 1980-81 to 1984-85 has totalled \$7.4 million and has been provided in the form of flour, pulses, vegetable oil, white peas, beans, and skim milk powder.

The International Fund for Agricultural Development (IFAD) is another multilateral organization that is involved in Colombia. It constitutes a major global financial and institutional response to the world food crisis. It mobilizes additional resources on concessional terms for the expansion and improvement of food production systems, with special emphasis on small farmers and landless laborers in developing countries. Canada has issued notes totalling \$42 million to IFAD over the 1980-81 to 1984-85 period. Since it began lending in 1978, IFAD approved one loan for Colombia in 1981 totalling 6.8 million SDRs (U.S. \$7.14 million) for the Arauca rural development project, which is also receiving assistance from the IDB.

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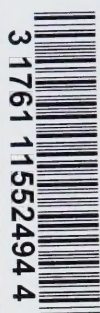
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